over the next five years. We estimate that operating the joint advisory group would cost the agencies a total of about $25,000 each year.

H.R. 1000 contains several additional provisions that would require the FAA to conduct studies, complete reports, issue rulemakings, and develop test programs. CBO assumes that such costs would be funded from the authorizations provided in the bill for FAA operations, facilities, and equipment. In total, CBO estimates that these studies, rulemakings, and reports would cost about $1 million in fiscal year 2000.

Direct spending

Relative to CBO's March 1999 baseline, enacting title I of the bill would provide an additional $7,125 million in contract authority (a mandatory form of budget authority) for the airport improvement program for fiscal years 1999 through 2004. It also would extend the authority of the Secretary of Transportation to incur obligations to make grants under that program.

Under current law, $2,050 million in AIP contract authority for fiscal year 1999 is available for obligation until August 6, 1999, equivalent to an annual rate of $2,410 million. Title I would bring the total contract authority for fiscal year 1999 up to the baseline level of $2,410 million and would provide a total of $19,175 million in contract authority over the 2000–2004 period. Consistent with the Budget Enforcement Act, CBO's baseline projections assume that a full year of contract authority ($2,410 million) will be provided for AIP in fiscal year 1999 and each subsequent year. Therefore, relative to the baseline, enacting title I would not affect contract authority for 1999, and would increase contract authority by a total of $7,125 million over the 2000–2004 period.

Expenditures from AIP contract authority are governed by obligation limitations contained in annual appropriation acts and thus are categorized as discretionary outlays. For purposes of this estimate, we assume that appropriation acts for fiscal years 2000 through 2004 will set obligation limitations for AIP equal to the annual levels of contract authority provided in this bill (as discussed above).

Section 202 would increase DOT's direct spending authority for the EAS program by $10 million each year, beginning in fiscal year 2000. In 1999, the program has $50 million of funding from amounts made available to FAA in discretionary appropriations, and it has a permanent, mandatory level of $50 million a year for future years. Section 202 would increase that mandatory level to $60 million a year. We estimate that additional outlays from the increased authority would total $46 million over the 2000–2004 period. (This provision is in addition to the authorization for additional discretionary spending for EAS out of amounts appropriated for FAA operations.)

Section 715 would prohibit the FAA from charging fees for certain FAA certification services pertaining to particular products manufactured outside the United States. Based on information from the FAA, CBO estimates that the forgone receipts would total about $1 million a year beginning in fiscal year 2000 and as much as $4 million a year in future years. Because the FAA has the authority to spend such fees, a reduction in such fee collections would also reduce spending; therefore, we estimate that this provision would have no significant net effect on direct spending over the 2000–2004 period.

Section 404 would amend title 49 of the U.S. Code so that the Death on the High Seas Act of 1920 (DOHSA) would not apply to aviation incidents. Under DOHSA, a family can only seek compensation if the relatives were financially dependent upon the deceased. By making DOHSA inapplicable to aviation incidents, section 404 would broaden the circumstances under which relatives can seek compensation for the death of a family member in an aviation incident over the ocean. It could also lead to larger awards. Based on information from DOT, CBO estimates that it is unlikely that enacting section 404 would have a significant impact on the federal budget. The provision could affect federal spending if the government becomes either a defendant or a plaintiff in a future civil action related to aviation. Since any additional compensation that might be owed by the federal government under such an action could be paid out of the Claims and Judgments Fund, the provision could affect direct spending. But CBO has no basis for estimating the likelihood or outcome of any such actions.

Section 708 would extend the authorization for the FAA's aviation insurance program through December 31, 2004. Under current law, the aviation insurance program will end on August 6, 1999. Enacting this provision could cause an increase in direct spending if new claims would result from extending the insurance program. Moreover, such new spending could be very large, particularly if a claim exceeded the balance of the trust fund and the FAA had to seek a supplemental appropriation. But historical experience suggests that claims under this program are very rare; therefore, extending the aviation insurance program would probably have no significant impact on the federal budget over the next five years.

Revenues

H.R. 1000 would authorize the Secretary of Transportation to allow certain airports to charge higher passenger facility fees than under current law. JCT expects that this provision would allow airports to generate more income from fees, which would be used to back additional tax-exempt debt. Such debt would result in a loss of federal revenue. JCT estimates a revenue loss of about $33 million over the 2000–2004 period and about $136 million over the 2000–2009 period.

The bill also would expand a pilot program that provides for the use of airport improvement grants to implement innovative financing techniques for airport capital projects. These techniques include payment of interest, purchase of bond insurance, and other credit enhancements associated with airport bonds. While the first pilot program, enacted in 1996, included these provisions, the early use of the program was geared more toward changing federal/local matching ratios. In addition, the earlier authorization provided for no more than 10 projects. This provision represents an expansion to 25 pilot projects. It is designed to leverage new investment financed by additional tax-exempt debt. JCT expects that this provision would lead to an increase in tax-exempt financing and a resulting loss of federal revenue. JCT estimates a loss of revenue of about $2 million over the 2000–2004 period and about $6 million over the 2000–2009 period.

H.R. 1000 would authorize the FAA to impose a new civil penalty on individuals who interfere with the duties and responsibilities of the flight crew or cabin crew of a civil aircraft, or who pose an imminent threat to the safety of the aircraft. The bill also would impose civil penalties on air carriers that discriminate against handicapped individuals and on violators of certain other provisions. Based on information from the FAA, CBO estimates that the civil penalties in H.R. 1000 would increase revenues, but that the effect is likely to be less than $500,000 annually.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending and receipts. The net changes in outlays and receipts that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing such procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By fiscal year, in millions of dollars—										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Changes in outlays	0	6	10	10	10	10	10	10	10	10	10
Changes in receipts	0	−1	−3	−6	−11	−14	−17	−19	−21	−24	−26

Changes in the budgetary control of aviation spending: H.R. 1000 would change the budgetary status of funding for aviation programs by placing the AATF off-budget and removing AATF funding from discretionary caps altogether. The bill also provides for periodic adjustments in FAA authorization levels based on AATF receipts and appropriation action.

Exempting AATF spending from budgetary control and enforcement procedures

Beginning in fiscal year 2001, title IX would take the Airport and Airway Trust Fund (AATF) off-budget and exempt trust fund spending from the discretionary spending caps, pay-as-you-go procedures, and Congressional budget controls (including the budget resolution, committee spending allocations, and reconciliation). By itself, taking the AATF off-budget would not change total spending of the federal government and would not affect spending or revenue estimates for Congressional scorekeeping purposes. However, because title IX would exempt AATF spending from the budgetary control and enforcement procedures that apply to most other programs, spending for air transportation would likely increase insignificantly. The amounts of potential increases are uncertain because they would depend upon future actions by both authorizing and appropriations committees.

Adjustments to FAA authorizations and program funding

Beginning in calendar year 2000, title IX would require the Secretaries of Transportation and the Treasury to estimate, by March 31 of each year, whether the unfunded aviation authorizations at the close of the subsequent fiscal year exceed net aviation receipts to be credited to the AATF during the fiscal year. If the unfunded authorizations exceed estimated receipts, authorizations for appropriations from the trust fund would be reduced. It is unclear how this provision would be implemented, but enacting this provision could decrease the amount authorized to be appropriated from the AATF.

Beginning with the President's budget submission for fiscal year 2003, title X would adjust the upcoming fiscal year's FAA authorizations based on the difference between estimated and actual receipts to the AATF in the most recently completed year. Title X